

Level Of Nadzir Understanding About The Importance Of Supervision On Wakaf Management Institutions In Batam City, Indonesia

Sofiandi,

Sekolah Tinggi Ekonomi dan Bisnis Islam, Batam

KEYWORD

Nadzir,
Supervision,
Waqf Management Institution

ABSTRACT

This research was conducted with the aim of analyzing problems related to efforts to enforce accountability on waqf management institutions in Batam City with quantitative descriptive methodology. The results of the data analysis showed that the level of understanding of nadzir on the importance of supervision to be carried out on waqf management institutions is at the medium level, which means it still has to be upgraded. This is evidenced by the fact that, in the city of Batam, none of the waqf management institutions has ever been supervised or audited. Many things must be done to overcome this problem, such as transparent and open reports, not only to the government and waqif but also to the public openly. Then, bookkeeping training, as well as the application of clear and strict rules regarding Nadzir's rights and obligations. It is hoped that accountability can be expected to emerge from the professionalism of managing waqf assets.

Corresponding Author:

Sofiandi, B.A., M.H.I

Sekolah Tinggi Ekonomi dan Bisnis Islam, Batam

Email: sofiandi88@gmail.com

INTRODUCTION

Waqf is one of the important pillars of a socio-economic safety network for the community. Waqf position as part of economic activity that has a value of worship contains different characteristics compared to other economic instruments in Islamic teachings. Unlike zakat, for example, it is compulsory with all the rules and provisions that are bound by the scheme of Islamic jurisprudence. Likewise, the case with Infaq or Sadaqah, which basically determines as optional (sunnah) activity, is the same as the status of waqf but stands at different goals and characteristics. Sadaqah is a kind of a good deed in which things are given to the needy with the purpose of charity. On the other hand, waqf can be defined as a donation which remains constant and cannot be sold or exchanged. Based on these characteristics, Kahf (2005) and Huda et al (2014) stated that if waqf is managed well, undoubtedly it will be able to exert external influence on the socio-economic development of the community on a broad scale and will ultimately be able to create social justice for a nation.

In the long journey of world history or Islamic history in particular, waqf has proven successful in creating prosperity in general. Medias (2010) stated that in history, waqf has played a significant role in the social, economic, and cultural development of society. The most prominent things of waqf institutions are their role in financing various Islamic education and health. For example in Egypt, Saudi Arabia, Turkey, and some other countries, development and various facilities such as infrastructure for education and health purposes have been financed by utilizing waqf. The sustainability of benefits of waqf is made possible by the enactment of productive waqf for supporting various social and religious activities. The productive waqf, which is generally in the sort of agricultural land or plantations and commercial buildings,

are managed in such a way as to generate profits that some of those profits will be re-used to finance these activities. Thus, the wealth of waqf is really a source of funds from the community for the community.

A study covering 104 waqf foundations in Egypt, Syria, Turkey, Palestine, and Anatoly land, said that in the period 1340-1947, the largest portion of waqf assets was in the form of real estate, reaching 93% with details as follows (Megawati, 2014):

1. 58% of waqf, concentrated in large cities consisting of shops, houses, and buildings.
2. 35% of waqf is in villages consisting of agricultural land, plantations, and other crops.
3. The remaining 7% is in the form of cash (cash endowments). But the latest information is based on the results of a study conducted by the Ministry of Religion, the acquisition of cash waqf in the Middle East reached 20 percent. According to Ridwan El-Sayed, waqf in the form of cash and in the form of equity participation was known in the days of the Mamluk and Ottoman Turks and is now widely accepted in modern Turkey, Egypt, India, Pakistan, Iran, Malaysia, Singapore, and many other countries.

The aforesaid condition is certainly not surprising if we see the following notes (Megawati, 2014):

1. Nearly 75% of all land that can be planted in the DaulahKhilafahUsmaniyah was waqf land.
2. Half (50%) of the land in Algeria, during the French colonial period in the mid-19th century, was waqf land.
3. During the same period, 33% of land in Tunisia was waqf land.
4. In Egypt until 1949, 12.5 % of agricultural land was waqf land.
In 1930 in Iran, about 30 % of the land planted was waqf land.

With the largest Muslim population in the world, Indonesia has the potential for considerable waqf. Based on the data presented by Directorate of Waqf Endowments in 2015 that the number of land waqf in Indonesia is in 435,395 locations with an area of 4,142,464,287.906 square meters or 414,246.43 hectares across Indonesia. Seen from natural resources or land (capital resources) number of land waqf in Indonesia is the largest number of land waqf worldwide. As for the cash waqf Indonesia, as stated again by the Directorate of Waqf Endowments in 2015, has the potential of Rp. 30 trillion per year, assuming 30 million Muslim population of Indonesia share waqf wealth of Rp. 1 million per year. Everyone can imagine the magnitude of the benefits that can be felt by Malay people who live in the city of Batam if waqf is able to function properly.

Waqf management in Indonesia is currently based on Law No. 41 of 2004 concerning waqf. This law regulates new aspects in the waqf paradigm in Indonesia, such as managing waqf assets productively with a broader allocation. Globally, this law was made as a complement to the existing waqf regulations.

However, waqf is still unable to provide a significant impact on the socio-economic life of Malay communities in Batam City. Waqf management does not give birth to benefits but causes problems. Huda et al (2014) have presented the fact that many problems are faced in the management of waqf lands productively. He mentioned one example in Bandung where most of the waqf lands are used for worship facilities and some are located in areas that are not economically strategic. As a result, these lands cannot be managed and only become dead land that has no economic value. Meanwhile, Muntaqo (2017) highlighted the problem of unprofessional management where Nadzir himself does not have a good commitment. On the other hand, Hasanah (2012) highlights 3 important things that are problematic in Indonesia; (1) the community's low understanding of the concept of waqf, (2) non-optimal socialization, and (3) unprofessional human resources. Thus, this is very ironic when viewed from the background of the great potential of waqf available in Indonesia.

The problems mentioned above have yet to be addressed regarding matters relating to accountability. Accountability can be realized if there is supervision on waqf management institutions together with all their components and activities. The current waqf management institutions in Batam City are still dominated by institutions managed by the community and not by the government. The institution is in the form of Non-Government Organizations (NGOs). Therefore, Nadzir must have a good understanding on the importance of supervising the waqf management institutions where they work.

According to the findings of previous studies, there are weaknesses that must be considered carefully from an organization that is non-governmental. According to Fikri et al (2010), accountability is a major weakness in any NGO-based institution. This is due to the lack of open information or accountability to the public and the absence of well-organized supervision channels. Furthermore, Fikri et al (2010) also revealed that the low level of NGO accountability is due to the relationship between NGOs, donors, and the community that was not built solely because of economic relations and were not always formal. Trust, emotional bonds, social contracts, and reciprocal relationships are mixed in such a way that formal rules for determining whether the organization is accountable or not are often biased. Supervision and monitoring will be difficult to be conducted and it is not considered important indeed. Budiman (2011) stated that supervision of an organization in order to establish a stigma of accountability is not solely related to financial reports and programs that were made, but is also related to the issue of public legitimacy. This is the problem that occurs in waqf

management institutions in Batam City where, according to Wandu (2015), have never been supervised or audited by a particular authority. The consequence of this is that waqf institutions in Batam City do not get the legitimacy and trust from the public which results in their low awareness to practice waqf.

Therefore, the research objective here is to find out the level of awareness of nadzir on the importance of supervision towards waqf management institutions.

Method

One of the important things in research is to set up a research design. This type of research is quantitative descriptive research assisted by SPSS software. According to Sugiyono (2014), descriptive statistic include the presentation of data through tables, graphs, pie charts, pictograms, calculation mode, median, mean (a measurement of central tendency), calculation of deciles, percentiles, calculation of data distribution through the calculation of averages and standard deviation, and percentage calculation.

This research was carried out on waqf management institutions in Batam, both government and non-government. The population is a generalization area that consists of objects/subjects that have certain qualities and characteristics set by the researcher to be studied and then to draw conclusions (Sugiyono, 2014). According to Sugiyono (2014), the sample is part of the number and characteristics possessed by the population. In this research, the researcher used a census technique that the entire population members were taken as samples. Therefore, the sample in this study was all the nadzir in Batam City with 156 people. So, the population in this study is the sample. Nadzir comes from various backgrounds. All nadzir participated voluntarily in filling out the questionnaire after receiving a thorough explanation of the research objectives provided by the researcher. The variable in this research is the level of understanding on the importance of supervision. The supervision and accountability aspects are in accordance with the relevant literature. The instrument items for the level of understanding of supervision in this research are as follows:

1. For every waqf institution, the operational budget must be always sufficient used to supervise waqf assets.
2. I have joined the training on productive waqf supervision
3. I have joined a sort of comparative study tour about waqf assets supervision to other advanced waqf institutions
4. The legal status of waqf assets must be clear and guarded
5. I provide the accountability report every year and submitted to the government
6. The same report is being submitted to the public
7. I have been audited by the headquarter of BWI
8. Nadzir have provided the accountability report by following the prevailing regulation on waqf
9. I do uphold the principle of transparency in managing waqf assets

This research used a quantitative approach, data were obtained through a questionnaire developed by the researcher with respondents are nadzir in Batam City. The instrument used was a questionnaire consisting of 9 items. Source of data used in this research is primary data collected by the researcher from the object of research. The primary data collection is done by survey method through distributing questionnaires to respondents.

Results and Discussions

Findings and Discussions

In this section, the researcher will divide it into 2 parts. The first part is the presentation of the results that have been obtained during the quantitative data analysis process. The second part is a discussion of the results described previously.

Findings of Questionnaires

Supervision, in this case, is an activity of monitoring and directing employees in a group or organization. Accountability, in this case, is a term used to describe the level of accountability of a person or a particular institution related to the administrative system it has. Supervision and accountability are important in a management organization engaged in the social field. Because this kind of organization requires trust from the community so that the benefits of its existence can be felt.

Therefore, it is very important for nadzir to have a perfect understanding on supervision and accountability. To measure how high Nadzir's understanding in this regard, it can be seen from the availability of budget that can be utilized for implementation of supervision and accountability process. At the very least, the budget can be used to attend trainings or comparative studies to more advanced institutions related to supervision and making work reports as a form of accountability. In addition, another important indicator is a good understanding of the significance of accountability

report, either to the government or to the public, by following applicable reporting standards and regulations. Therefore, every productive waqf institution must always be audited to uphold the principle of transparency.

In order to arrive at a comprehensive study on this research, the researcher will analyze the questionnaire that has been distributed with regard to the existing mean values. The analysis concludes by looking at the average mean value of all the items contained in the questionnaire to determine the level of understanding of nadzir towards the importance of supervision. The mean value obtained from the data analysis process using SPSS will be interpreted by Likert Scale with the guideline as in the following table:

Table 4.1
Mean Score

Mean Score Interpretation of score categories	Interpretation
1,00 - 1,79	Very poor/Very low
1,80 - 2,59	Poor/Low
2,60 - 3,39	Acceptable/Medium
3,40 - 4,19	Good/High
4,20 - 5,00	Very Good/Very High

Resource: Abdurahman and Muhidin (2007)

The findings derived from questionnaires data analysis are shown in the table below:

Table 4.2
Questionnaire Results

No	Item/statements	Mean Score	Interpretation
1	For every waqf institution, the operational budget must be always sufficient used to supervise waqf assets	1.00	Very Low
2	I have joined the training on productive waqf supervision	2.35	Low
3	I have joined a sort of comparative study tour about waqf assets supervision to other advanced waqf institutions	4.04	High
4	The legal status of waqf assets must be clear and guarded	4.87	Very High
5	I provide the accountability report every year and submitted to the government	4.00	High
6	The same report is being submitted to the public	1.00	Very Low
7	I have been audited by the headquarter of BWI	1.00	Very Low
8	Nadzir have provided the accountability report by following the prevailing regulation on waqf	4.97	Very High
9	I do uphold the principle of transparency in managing waqf assets	2.68	Medium
Average Mean Value		2.88	Medium

Of the 9 items or statements found in this second dimension, the highest score is found in the 8th item or statement i.e., "Nadzir have provided the accountability report by following the prevailing regulation on waqf", with a score of 4.97 which is interpreted as very high level. If we hold onto this data, it can be concluded that nadzir in Batam has already had a high understanding on providing accountability reports. This can be seen from the accountability reports that they give to the government every year as a form of transparency they hold.

The interesting thing here is the high understanding on the urgency and benefits of the comparative study and legal status of waqf assets. As in reality, this comparative study has never been carried out due to the unavailability of operational funds. However, at least Nadzir have a good understanding on this matter, including the importance of supervision training that should be given to them.

In this regard, it is not surprising that in this fourth dimension, a low score is given to items related to operational funds. Besides that, as it turns out, Nadzir does not have a good understanding on the importance of accountability reports given publicly, and also on the fact that every waqf institution must be audited to avoid things that are fraudulent.

However, these two things have never been done in Batam City. It is a big concern as seen in the item no. 1, 6, and 7.

From this fourth dimension, it can be noticed that Nadzir's understanding towards supervision and accountability, in general, is at a medium level, as seen in the table above, where the average score is only 2.88. This indicates that there are also some problems with the understanding of nadzir in Batam towards the productive waqf framework in term of supervision and accountability.

Discussion of Findings

Supervision here means monitoring activities that cover all aspects of waqf collection, investment, management, and disbursement. The supervisor, therefore, uses an appropriate range of techniques and tools to implement the supervisory approach and deploys waqf supervisory resources on a proportionate basis, taking into account the risk profile, and of course, subject to adequate validation and verification.

Nadzir's institution in Batam city, in fact, have never received supervision from any party. Each nadzir works according to the needs and demands they face. The community, including waqif, only in touch with nadzir and does not want to understand the real waqf procedure. This fact does not only occur in Batam but also throughout Indonesia as mentioned by the results of research conducted by Sam'ani (2017). In fact, according to him, the Nadzir institution has never been audited by any particular authority. Whereas, according to Siswanto et al (2014), auditing in a modern management pattern is a necessity that cannot be avoided in order to avoid all things that are fraudulent. At least, all productive waqf institutions must provide accountability reports to the government, waqif and the public openly. Without this accountability report, it is difficult to gain trust from the community (Mahmood, 2013; Huda et al, 2014).

In this case, the principle of transparency must be upheld in every productive waqf management organization. This includes everything related to accounting activities. So, bookkeeping must be managed professionally by prioritizing the principle of transparency in order to enforce strict supervision. According to Hasanah (2017), transparent bookkeeping has become a necessity that cannot be negotiated in running a productive waqf institution. Like a professional business enterprise, it requires a neat and orderly accounting record. So this is one of the criteria that must be applied with certainty.

An organization will be said to be good if it has clear regulations and rules. This is needed in order to make restrictions for members of the organization in carrying out activities. The problem is that not all waqf institutions in Indonesia are supported by regulations and rules. There are still many that run without any limitations and guidelines for activities. The impact is that Nadzir does not understand what is his responsibility nor his right. In addition, there is no reward and punishment system imposed so that Nadzir is free to activities without strict control. This can be clearly seen from the results of quantitative data analysis and interviews. Hasanah (2017) supported by research conducted by Mahmood (2013) and Siswanto et al (2014) said that in an organization of productive waqf management, regulation, and rules, as well as reward and punishment, are important things that cannot be ignored. According to them, regulations and rules must be equipped with sanctions, if a member makes a mistake or disciplinary action, or with reward, if the opposite, by showing good work performance. Huda et al (2014) and Syakir (2016) added that the above matters must be supported by a complete mechanism and system so that a nadzir could makes it a guideline in every step and activity. The mechanism and system must be agreed upon by each member of the waqf body so that discipline is formed and becomes a common characteristic. And finally, still according to Huda et al (2014) and Syakir (2016), socialization and education, whether in the form of SOPs or to the community about the concept of productive waqf must be arranged in such a way that it can be well understood by all parties. Huda et al (2014) underline that in the absence of supervision on Nadzir, many waqf assets left unattended. Whereas waqif, when he realized this fact, felt disappointed and did not trust the institution of Nadzir anymore. Even worse, many waqf assets were changed to be the private property of Nadzir and ultimately caused disputes.

Conclusions

Supervision is a necessity to be applied to every kind of organization in today's modern management order. Supervision here means monitoring activities that cover all aspects of waqf collection, investment, management, and disbursement. The supervisor, therefore, uses an appropriate range of techniques and tools to implement the supervisory approach and deploys waqf supervisory resources on a proportionate basis, taking into account the risk profile, and of course, subject to adequate validation and verification. Hence, it is very important for nadzir to have a perfect understanding on supervision.

Unfortunately, nadzir's understanding on this problem needs to be upgraded. None of the waqf management institutions in Batam has ever been supervised or audited by a reliable institution or an authorized institution. Nadzir does not work professionally and the management of waqf in Batam City does not develop properly is one consequence of the absence of accountability. Low trust and public legitimacy are other consequences inherent in waqf management institutions.

Therefore, a solution that must be taken immediately is to make regular supervision planning or monitoring on

waqf management institutions and require them to make accountability reports to all stakeholders that include the government, waqif, and the public in a transparent and open manner.

References

- Abdurrahman & Muhidin. 2007. *Analisis Korelasi, Regresidan Jalur Penelitian*. CV Pustaka Ceria: Bandung. P. 146.
- Budiman, A. A. 2011. *Akuntabilitas Pengelola Lembaga Wakaf*. JurnalWalisongo. Vol. 19. No. 1. Pp. 75-102.
- Fikri, A., M. Sudarma, E.G. Sukoharsono, dan B. Purnomosidhi. 2010. *Studi Fenomenologi Akuntabilitas Non-Government Organization*. Jurnal Akuntansi Multiparadigma. Vol. 1, No. 3. Pp. 409-420.
- Hasanah, Uswatun. 2017. *Urgensi Pengawasandalam Pengelolaan Wakaf Produktif*. AlAhkam. Vol. 22, No. 1. Pp. 61-80.
- Huda, Nurul. Desti Anggraini. Nova Rini. Hudori. YosiMardoni. 2014. *Akuntabilitas Sebagai Sebuah Solusi Pengelolaan Wakaf*. Jurnal Akuntansi Multiparadigma (JAMAL). Vol. 5, No. 3. Pp. 485-497.
- Kahf, M. 2005. *الوقف الإسلامي: تطوره, إدارته, صش تميمته*. DaarulFikr: Beirut.
- Mahmood, Ahmad Muhdi. 2013. *نظام الأوقاف في التطبيق المعاصر (نماذج مختارة من تجارب الدول والمجتمعات الإقتصادية)*. Al-Amanah Al-'Amah Lil-Auqof: Kuwait.
- Medias, Fahmi. 2010. *Productive Waqf in the Perspective of Islamic Economics*. JurnalEkonomi Islam La Riba. Yogyakarta: UII. Vol. IV, No. 1. Pp. 69-84.
- Megawati, Devi. 2014. *Pengelolaandan Pengembangan Wakaf Produktif di Kota Pekanbaru*. Hukum Islam. Vol. 14, No. 1. Pp. 104-124.
- Muntaqo, Firman. 2017. *Problematikadan Prospek Wakaf Produktif di Indonesia*. Al-Ihkam. Vol. 25, No. 1. Pp. 83-108.
- Sam'ani. 2017. *Paradigma Baru Perwakafan Pasca Undang-undang No. 41 Tahun 2004 TentangWakaf*. Arriyadah. Vol.2, No.4. Pp. 32-56.
- Siswanto, Izzuddin Edi. Hendro Wibowo. Edy Suprpto & Isminadar. 2014. *Optimalization of Productive Waqf Management*. JurnalAddayyan. Vol. 10, No. 2. Pp. 17-36.
- Sugiyono. 2014. *Metode PenelitianKombinasi (Mixed Methods)*. Penerbit Alfabeta, Bandung.
- Syakir, Ahmad. 2016. *Economic Empowerment of Islamic Society through Productive Waqf*. Al-Intaj. IAIN Bengkulu: Vol. 2, No. 1. Pp. 37-48.
- Wandi, Yulfis. 2015. *Pemahaman Masyarakat Tanjung Pinang, Kepulauan Riau, Terhadap Wakaf Produktif*. JurnalAddayyan. STAI IBSI: Vol. 9, No. 1. Pp. 21-37.